

Minutes of the Finance Committee

Wednesday, December 13, 2017

Chair Heinrich called the meeting to order at 8:15 a.m.

Present: Supervisors Jim Heinrich, Tim Dondlinger, Tom Michalski, Richard Morris, Duane Paulson, Steve Whittow, and Ted Wysocki.

Also Present: Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Federated Library Director Connie Meyer, Budget Manager Linda Witkowski, Business Manager Lyndsay Johnson, Inspector Jim Gumm, Deputy Inspector Torin Misko, Financial Analyst Josh Joost, Clerk of Courts Kathy Madden, Business Manager Bob Snow, Register of Deeds Jim Behrend, Senior Financial Analyst Rob Dunn, Treasurer Pam Reeves, Accounting Services Coordinator Will Emslie, Human Resources Manager Jim Richter, Senior Human Resources Analyst Renee Gage, County Board Chair Paul Decker, District Attorney Sue Opper, Victim/Witness Program Coordinator Jennifer Dunn, Office Services Coordinator Dani Danielski, Parks & Land Use Director Dale Shaver, and Senior Financial Analyst Steve Trimborn. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of November 22

MOTION: Morris moved, second by Paulson to approve the minutes of November 22. Motion carried 7-0.

Next Meeting Date

- January 17

Chair's Executive Committee Report of December 11

Heinrich said the Executive Committee approved one ordinance and five appointments related to creating the Lake Denoon Lake District, went into closed session regarding potential opioid litigation, and heard standing committee reports.

Fund Transfer 2017-130-1: Library – Transfer Funds from Operating Expenses to Personnel Expenses

Meyer discussed this item which involves transferring \$2,500 to personnel expenses, primarily to cover salary expenses related to administrative specialist hours. That position was moved from full-time to part-time for the 2016 budget and the number of hours worked are dependent on needs of the department. Additional hours were needed in 2017 for county library planning meetings. In addition, \$500 will be transferred to interdepartmental expenses to cover higher than anticipated communications and postage costs. The \$3,000 in operating expenses is available due to the department's decision not to enter into a contract for local information technology support for member libraries in 2017.

MOTION: Paulson moved, second by Dondlinger to approve Fund Transfer 2017-130-1, Library. Motion carried 7-0.

Fund Transfer 2017-130-2: Library – Transfer Funds from Fixed Assets to Operating Expenses

Meyer discussed this item which involves transferring \$22,000 from fixed assets to operating expenses which is anticipated to be over budget due to the department's decision to move the CAFÉ integrated library system to a cloud-based service as opposed to purchasing replacement servers, budgeted for in 2017. The funds are available in fixed assets due to the move to cloud-based service for the majority of the CAFÉ integrated library system rather than purchase on-site servers.

MOTION: Dondlinger moved, second by Wysocki to approve Fund Transfer 2017-130-2, Library. Motion carried 7-0.

Ordinance 172-O-061: Modify The 2017 Sheriff's Department Budget To Appropriate Expenditure Authority For Personnel And Increase Interdepartmental Revenue, Charges For Services Revenue, And Other Revenue

Johnson discussed this ordinance which modifies the department's 2017 budget by appropriating personnel expenditures of \$231,000 for overtime due to high vacancy and turnover experienced for jail security and general patrol. This ordinance increases the budget for charges and fees of \$125,000 for inmate housing based on higher extended supervision revenues, interdepartmental charges of \$75,000 for increased conveyance and prisoner transport, and other revenue of \$31,000 for increased jail commissary revenue. This ordinance results in no additional tax levy impact.

Answering Heinrich's question, Misko said candidates with relevant experience finish the training process about 25-35% sooner than those who do not. He noted the number of experienced officers who become County employed for the most part equal those that leave for other employment, and this is mainly due to higher pay.

MOTION: Paulson moved, second by Morris to approve Ordinance 172-O-061. Motion carried 7-0.

Ordinance 172-O-062: Accept Donated Fitness Equipment For The Sheriff's Department Workout Room

Johnson said the Wisconsin Athletic Club has expressed an interest in donating used fitness equipment for the department's staff workout room. The value of the equipment is around \$12,500 and will not be included in a replacement plan nor will replacement be levy funded.

Answering Morris' question, Gumm said as their fitness for duty standards increase, they want to make the equipment available to help them comply with those standards.

MOTION: Wysocki moved, second by Michalski to approve Ordinance 172-O-062. Motion carried 7-0.

Fund Transfer 2017-1: Sheriff's Department – Transfer Funds from Interdepartmental Expenses and Operating Expenses to Personnel Expenses

Johnson said the department is projected to exceed the overtime budget by \$1.25 million by year-end. Over-budget spending is mainly due to position vacancies and the need to pay overtime for shift coverage, newly hired staff working through department training programs requiring higher overtime to count toward shift minimums, and overtime created by various types of employee leave such as sick leave and FMLA leave. The department will absorb some of the overtime due to

vacancy and turnover savings, however, the department is requesting to transfer a total of \$345,000 from the operating and interdepartmental appropriation units to the personnel unit to address the variance. Operating funds of \$20,000 are available for transfer due to lower costs for replacement equipment for police vehicles. Based on condition and compatibility of existing equipment, additional equipment purchases are not required in 2017. Interdepartmental funds of \$325,000 are available for transfer due to favorable fuel costs of \$250,000 and vehicle maintenance costs of \$65,000. An additional \$10,000 is available from the radio communications account as time and material charges for radio repairs are less than budgeted.

Answering Paulson's question, Johnson said the vast majority of the savings is from fuel. In 2017, they budgeted \$3.61 per gallon but the actual cost was closer to \$2.25. Because fuel per gallon in 2018 is budgeted at \$3.27, their flexibility to transfer these funds in the future will be reduced or eliminated through the budget process. Regarding vehicle maintenance, Johnson said the changeover for Tahoe's is taking much less time thus reducing costs. She advised that maintenance is not being shorted in any way. Gumm noted the Sheriff has voiced his concerns in the past about not having enough funds for personnel costs and due to lower cost per gallon figures in 2018, they will need to cover the shortage some other way.

MOTION: Wysocki moved, second by Dondlinger to approve Fund Transfer 2017-1, Sheriff's Department. Motion carried 7-0.

Fund Transfer 2017-2: Sheriff's Department – Transfer Funds from the Contingency Fund to Personnel Expenses

Johnson noted the department has exceeded their modified overtime budget by an annual average of \$1.1 million in overtime each of the last four budget years. While staff have budgeted internally to cover the overage (see fund transfer above), funds from the Contingency Fund are also needed. In prior years, additional vacancies had covered higher use of overtime. Beginning in 2017, the department began the year with significant vacancies. The department increased hiring which required additional overtime for newly hired staff working through department training programs to count toward shift minimums. The department will absorb some of the overtime due to vacancy and turnover savings. However, they are requesting to transfer a total of \$197,000 from the Contingency Fund to the personnel unit to address the variance. The department expects reduced overtime in 2018 due to reduced vacancies.

Heinrich said he was disappointed by the department's request to utilize contingency funds which he explained further. Paulson and Wysocki also spoke of concerns. Gumm said the Sheriff has informed the County Board numerous times that his budget was not adequate even though efforts have been made to lower costs while not severely affecting services. Whittow spoke in support of the fund transfer and said the Sheriff's Department is a higher priority as opposed to spending \$250,000 each year for parkland the County does not need. He said this ongoing problem needs to be resolved and it is time to work together on long term solutions. Michalski said he will support this on a one-time basis but is looking forward to the overtime audit to help with future budgets. Dondlinger said in the department's defense, the Sheriff informed the County Board of this problem over a year ago and nothing was done. He felt there is no other choice right now because he will not support removing patrol officers. Paulson said other departments need money too but they do not have the podium that the Sheriff does. He asked if the fund transfer were denied, what would happen. Johnson said it would be a personnel issue involving the possible furlough of about 60 deputies and correctional officers but exactly how this would be handled would require further

review. Whittow suggested a subcommittee to work on resolving this issue. Morris agreed with Whittow and said the contingency fund is for emergencies and he felt this was an emergency.

MOTION: Morris called for the question, second by Whittow. Motion carried 7-0.

MOTION: Dondlinger moved, second by Whittow to approve Fund Transfer 2017-2, Sheriff's Department. Motion carried 5-2. Wysocki and Paulson voted no.

Fund Transfer 2017-210-1: Circuit Court Services – Transfer Funds from Personnel Expenses to Interdepartmental Expenses and Operating Expenses

Madden explained this funds transfer which addresses projected budget shortfalls of \$165,000 in several key Courts areas. This is due to an operating expense shortfall of \$70,000 for jury expenses and medical services related to several high profile criminal and sensitive homicide jury trials. These cases have also created an interdepartmental shortfall of \$90,000 for defendant transportation and court security. An additional \$5,000 is requested for interdepartmental collections services to recover County funded court ordered legal services. Funds are available in the Circuit Court Services personnel appropriation (salary) because of open funded positions due to significant business changes in its organizational structure and the incorporation of technology enhancements to streamline operations and services. The department has decreased personnel by 4.00 FTE in the 2018 budget.

MOTION: Paulson moved, second by Dondlinger to approve Fund Transfer 2017-210-1, Circuit Court Services. Motion carried 7-0.

Fund Transfer 2017-100-1: Register of Deeds – Transfer Funds from Interdepartmental Expenses and Operating Expenses to Personnel Expenses

Behrend said the department is requesting the transfer of \$22,500 to fund higher than budgeted personnel costs, largely due to retirement and separation payouts, as well as low turnover resulting in the department not achieving budgeted vacancy and turnover targets. To address the personnel overage noted above, staff are requesting to transfer \$12,000 from operating expenses, mostly in the software repair and maintenance area due to changes in the department's cashiering interface. Interdepartmental expenses are also estimated to be underspent due to a decrease in microfilming because of decreased document recordings, and in the area of postage due to a greater portion of electronic document recordings.

MOTION: Wysocki moved, second by Dondlinger to approve Fund Transfer 2017-100-1, Register of Deeds. Motion carried 7-0.

Results of the Tax Foreclosure Process

Reeves discussed 2017 property tax foreclosure statistics and a recap of the November 10 auction. Of the six properties up for auction, three sold, including the one with a home, while three did not but they will remain available for sale. The County no longer owns any homes. The total profit from the auction was about \$46,000.

Ordinance 172-O-063: Modify The Department Of Health And Human Services 2017 Budget To Appropriate Expenditures For Clinical Services And Increase Other Revenue

Emslie discussed this ordinance which modifies the 2017 Health and Human Services budget to increase operating expenditures \$760,000 to \$13,014,423. The funds will pay for higher than

budgeted contracted inpatient treatment costs for juvenile and adult clients at the State Mental Health Institutes for psychiatric assessment, stabilization, medication management, and treatment. This ordinance also increases interdepartmental charges \$40,000 to \$1,510,773 for transportation services to and from the State institutes provided by the Sheriff's Department. This ordinance also increases revenue by \$800,000 of additional collections revenues, mostly from third party insurance and Medicaid, generated from the partial reimbursement of services provided at the State mental health institutes. This ordinance results in no additional direct tax levy impact.

MOTION: Paulson moved, second by Dondlinger to approve Ordinance 172-O-063. Motion carried 7-0.

Ordinance 172-O-064: Modify The Department Of Health And Human Service 2017 Budget To Appropriate Expenditures For Aging And Disability Resource Center And Increase General Government Revenue

Emslie discussed this ordinance which modifies the 2017 Health and Human Services' Aging and Disability Resource Center (ADRC) budget by appropriating \$165,000 of additional operating expenses for special projects and to provide additional services. The funds will be used for ADRC representative staff services of approximately \$78,000, office equipment and furniture of approximately \$58,000 to reconfigure and expand the ADRC area, and computer equipment and training to increase staff efficiency and resources. The additional budget appropriations will be funded by \$165,000 of additional state and federal ADRC grant funds that were approved by the State to be carried over from 2016 to 2017. This ordinance results in no additional tax levy impact.

MOTION: Wysocki moved, second by Dondlinger to approve Ordinance 172-O-064. Motion carried 7-0.

Ordinance 172-O-065: Approve 2018 Salaries For Seasonal And Temporary Classifications

Richter discussed this ordinance which establishes new wage schedules for seasonal and temporary classifications effective January 6, 2018. The 2018 estimated Countywide impact of the changes (including benefit costs) is approximately \$62,000, or about a 1.5% increase. The 2018 adopted budget includes sufficient funding for these changes. The ordinance also establishes a new position of Park Program Coordinator which is a seasonal/salaried position.

MOTION: Paulson moved, second by Whittow to approve Ordinance 172-O-065. Motion carried 7-0.

Ordinance 172-O-066: Approve 2018 Salary And Benefit Modifications For Non-Represented Employees

Richter discussed this ordinance which authorizes a 1.5% across-the-board wage increase for all non-represented County employees, effective January 6, 2018. This would include all employees except elected officials, certain temporary and seasonal categories covered by a separate ordinance and those represented by the Wisconsin Professional Police Association. Richter went on to discuss health plan changes, other salary policies, and the reassignment of certain classifications into new salary ranges. The annual net impact of all the provisions in the ordinance is estimated at \$1,282,974. The 2018 adopted budget includes sufficient funding for these changes.

MOTION: Wysocki moved, second by Dondlinger to approve Ordinance 172-O-066. Motion carried 7-0.

Ordinance 172-O-068: Ratification Of 2018- 2019 Wisconsin Professional Police Association Collective Bargaining Agreement

Richter discussed this ordinance which authorizes, for all employees represented by the Wisconsin Professional Police Association (WPPA), a 1.0% across-the-board (ATB) increase effective January 6, 2018 and a 1.25% increase effective July 7, 2018. In 2019, a 1.25% increase would be effective January 5, 2019 and a 1.0% increase would be effective July 6, 2019. In addition, the first wage step for Deputy Sheriff positions would be eliminated effective January 7, 2018 and any employees at that step would be moved to what is currently the second step. Richter discussed other policy changes and said the annual net impact of all provisions in this ordinance is estimated to be \$235,989 for 2018 and \$295,217 for 2019. The 2018 adopted budget includes sufficient funding for these changes.

MOTION: Paulson moved, second by Morris to approve Ordinance 172-O-068. Motion carried 7-0.

Ordinance 172-O-060: Modify The 2017 District Attorney's Office Budget To Appropriate Expenditures For Operating And Increase Charges For Services Revenue

Opper discussed this ordinance which modifies the 2017 District Attorney's budget by appropriating \$10,000 of expenditure authority due to a higher than expected number and complexity of cases requiring additional trial preparation. The ordinance also increases charges for services revenue by \$10,000 for higher document duplication fees associated with increased case complexity and digital formats. This ordinance results in no additional tax levy impact.

MOTION: Whittow moved, second by Dondlinger to approve Ordinance 172-O-060. Motion carried 7-0.

Fund Transfer 2017-100-1: Parks & Land Use – Transfer Funds from Operating Expenses to Personnel Expenses

Shaver discussed this item which involves transferring \$110,000 to personnel expenses to provide funding for an estimated \$60,000 in unbudgeted retirement payouts and \$50,000 for employee salaries. Employee salary funding is over budget mainly due to not achieving budgeted vacancy and turnover targets. Due to lower than budgeted rates and a reduction in usage, funding of \$18,500 is available from utility costs. Due to reduced purchases of rain barrels, plants and Retzer, gift shop inventory, \$26,000 is available to transfer from merchandise for resale. Food for resale funding of \$21,500 is available to transfer mainly due to the department contracting for food services at special events. The department budgets \$50,000 in real estate development funds which may be used to bring new developments into compliance with storm water codes in the event developers are unwilling or unable to do so. In 2017, the department has not had to make any expenditures for this activity and is requesting to transfer \$44,000 from this account. These funds are offset with reduced retained developer guarantee funds but are more than covered by above-budget parks fees related to annual sticker and entrance revenues.

MOTION: Wysocki moved, second by Michalski to approve Fund Transfer 2017-100-1, Parks & Land Use. Motion carried 7-0.

Closed Session

MOTION: Paulson moved, second by Dondlinger to convene in closed session at 10:56 a.m. pursuant to Section 19.85(1)(g), Wisconsin Statutes, to confer with staff and Corporation Counsel who is rendering oral advice concerning strategy to be adopted with respect to the potential compromise of pending litigation, Richard Gillis vs. Waukesha County, and to approve closed session minutes of June 21, 2017. Motion carried 7-0.

MOTION: Paulson moved, second by Morris to return to open session at 11:18 a.m. Motion carried 7-0.

State Legislative Update

Spaeth discussed new bills related to foster care and county board/county executive roles and processes which she will continue to monitor and provide updates.

MOTION: Whittow moved, second by Dondlinger to adjourn at 11:22 a.m. Motion carried 7-0.

Respectfully submitted,

Thomas A. Michalski
Secretary